

**Introduced by Senator Vargas**

February 18, 2011

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An act to amend Section 34631.5 of the Vehicle Code, relating to vehicles.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 719, as introduced, Vargas. Vehicles: motor carrier of property: insurance.

Existing law requires proof of financial responsibility before a motor carrier permit may be granted to any motor carrier of property and specifies the acceptable documentation for proof of that financial responsibility, which is required to be deposited with the Department of Motor Vehicles and cover each vehicle used or to be used under the motor carrier permit.

Existing law requires every motor carrier of property, as defined, to provide adequate protection against liability for the payment of damages in certain amounts, except as specified. The operator of a for-hire tow truck who meets this requirement is authorized to perform emergency moves at the direction of a peace officer irrespective of the load carried aboard the vehicle being moved.

The bill would make technical, nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 34631.5 of the Vehicle Code is amended  
2     to read:

1     34631.5. (a) (1) ~~Every~~A motor carrier of property as defined  
2 in Section 34601, except those subject to paragraph (2), (3), or (4),  
3 shall provide and thereafter continue in effect adequate protection  
4 against liability imposed by law upon those carriers for the payment  
5 of damages in the amount of a combined single limit of not less  
6 than seven hundred fifty thousand dollars (\$750,000) on account  
7 of bodily injuries to, or death of, one or more persons, or damage  
8 to or destruction of, property other than property being transported  
9 by the carrier for any shipper or consignee whether the property  
10 of one or more than one claimant in any one accident.

11     (2) ~~Every~~A motor carrier of property, as defined in Section  
12 34601, who operates only vehicles under 10,000 pounds GVWR  
13 and who does not transport any commodity subject to paragraph  
14 (3) or (4), shall provide and thereafter continue in effect adequate  
15 protection against liability imposed by law for the payment of  
16 damages caused by bodily injuries to or the death of any person;  
17 or for damage to or destruction of property of others, other than  
18 property being transported by the carrier, in an amount not less  
19 than three hundred thousand dollars (\$300,000).

20     (3) ~~Every~~A intrastate motor carrier of property, as defined in  
21 Section 34601, who transports petroleum products in bulk,  
22 including waste petroleum and waste petroleum products, shall  
23 provide and thereafter continue in effect adequate protection against  
24 liability imposed by law upon the carrier for the payment of  
25 damages for personal bodily injuries (including death resulting  
26 therefrom) in the amount of not less than five hundred thousand  
27 dollars (\$500,000) on account of bodily injuries to, or death of,  
28 one person; and protection against a total liability of those carriers  
29 on account of bodily injuries to, or death of more than one person  
30 as a result of any one accident, but subject to the same limitation  
31 for each person in the amount of not less than one million dollars  
32 (\$1,000,000); and protection in an amount of not less than two  
33 hundred thousand dollars (\$200,000) for one accident resulting in  
34 damage to or destruction to property other than property being  
35 transported by the carrier for any shipper or consignee, whether  
36 the property of one or more than one claimant; or a combined  
37 single limit in the amount of not less than one million two hundred  
38 thousand dollars (\$1,200,000) on account of bodily injuries to, or  
39 death of, one or more persons or damage to or destruction of  
40 property, or both, other than property being transported by the

carrier for any shipper or consignee whether the property of one or more than one claimant in any one accident.

(4) Except as provided in paragraph (3), ~~every~~ *a* motor carrier of property, as defined in Section 34601, that transports any hazardous material, as defined by Section 353, shall provide and thereafter continue in effect adequate protection against liability imposed by law on those carriers for the payment of damages for personal injury or death, and damage to or destruction of property, in amounts of not less than the minimum levels of financial responsibility specified for carriers of hazardous materials by the United States Department of Transportation in Part 387 (commencing with Section 387.1) of Title 49 of the Code of Federal Regulations. The applicable minimum levels of financial responsibility required are as follows:

		Combined Single Limit Coverage
	Commodity Transported:	
(A)	Oil listed in Section 172.101 of Title 49 of the Code of Federal Regulations; or hazardous waste, hazardous materials and hazardous substances defined in Section 171.8 of Title 49 of the Code of Federal Regulations and listed in Section 172.101 of Title 49 of the Code of Federal Regulations, but not mentioned in subparagraph (C) or (D).	\$1,000,000
(B)	Hazardous waste as defined in Section 25117 of the Health and Safety Code and in Article 1 (commencing with Section 66261.1) of Chapter 11 of Division 4.5 of Title 22 of the California Code of Regulations, but not mentioned in subparagraph (C) or (D).	\$1,000,000
(C)	Hazardous substances, as defined in Section 171.8 of Title 49 of the Code of Federal Regulations, or liquefied compressed gas or compressed gas, transported in cargo tanks, portable tanks, or hopper-type vehicle with capacities in excess of 3,500 water gallons.	\$5,000,000
(D)	Any quantity of division 1.1, 1.2, or 1.3 explosives; any quantity of poison gas (Poison A);	\$5,000,000

1 or highway route controlled quantity radioactive  
2 materials as defined in Section 173.403 of Title  
3 49 of the Code of Federal Regulations.  
4

5 (b) (1) The protection required under subdivision (a) shall be  
6 evidenced by the deposit with the department, covering each  
7 vehicle used or to be used in conducting the service performed by  
8 each motor carrier of property, an authorized certificate of public  
9 liability and property damage insurance, issued by a company  
10 licensed to write the insurance in the State of California, or by a  
11 nonadmitted insurer subject to Section 1763 of the Insurance Code.

12 (2) The protection required under subdivision (a) by ~~every a~~  
13 motor carrier of property engaged in interstate or foreign  
14 transportation of property in or through California, shall be  
15 evidenced by the filing and acceptance of a department authorized  
16 certificate of insurance, or qualification as a self-insurer as may  
17 be authorized by law.

18 (3) A certificate of insurance, evidencing the protection, shall  
19 not be cancelable on less than 30 days' written notice to the  
20 department, the notice to commence to run from the date notice is  
21 actually received at the office of the department in Sacramento.

22 (4) ~~Every insurance~~ A certificate of insurance or equivalent  
23 protection to the public shall contain a provision that the certificate  
24 or equivalent protection shall remain in full force and effect until  
25 canceled in the manner provided by paragraph (3).

26 (5) Upon cancellation of an insurance certificate or the  
27 cancellation of equivalent protection authorized by the Department  
28 of Motor Vehicles, the motor carrier permit of any motor carrier  
29 of property, shall stand suspended immediately upon the effective  
30 date of the cancellations.

31 (6) ~~No~~ A motor carrier shall *not* engage in any operation on any  
32 public highway of this state during the suspension of its permit.

33 (7) ~~No~~ A motor carrier of property, whose permit has been  
34 suspended under paragraph (5) shall *not* resume operations unless  
35 and until the carrier has filed an insurance certificate or equivalent  
36 protection in effect at the time and that meets the standards set  
37 forth in this section. The operative rights of the complying carriers  
38 shall be reinstated from suspension upon the filing of an insurance  
39 certificate or equivalent protection.

1 (8) In order to expedite the processing of insurance filings by  
2 the department, each insurance filing made should contain the  
3 insured's California carrier number, if known, in the upper right  
4 corner of the certificate.

5 (c) (1) Notwithstanding any other provision of law, the operator  
6 of a for-hire tow truck who is in compliance with subdivision (a)  
7 may perform emergency moves, irrespective of the load carried  
8 aboard the vehicle being moved.

9 (2) For the purposes of paragraph (1), an "emergency move" is  
10 limited to one or more of the following activities:

11 (A) Removal of a disabled or damaged vehicle or combination  
12 of vehicles from a highway.

13 (B) Removal of a vehicle or combination of vehicles from public  
14 or private property following a traffic collision.

15 (C) Removal of a vehicle or combination of vehicles from public  
16 or private property to protect public health, safety, or property.

17 (D) Removal of a vehicle or combination of vehicles from any  
18 location for impound or storage, at the direction of a peace officer.

19 (3) The authority granted under paragraph (1) applies only to  
20 the first one-way carriage of property from the scene of the  
21 emergency to the nearest safe location. Any subsequent move of  
22 that property shall be subject to subdivision (a), including, but not  
23 limited to, a requirement that the for-hire tow truck operator have  
24 a level of liability protection that is adequate for the commodity  
25 being transported by the towed vehicle or combination of vehicles.

26 (4) Any transportation of property by an operator of an operator  
27 of a for-hire tow truck that is not an emergency move, as authorized  
28 under paragraph (1), shall be subject to subdivision (a), including,  
29 but not limited to, a requirement that the for-hire tow truck operator  
30 have a level of liability protection that is adequate for the  
31 commodity being transported by the towed vehicle or combination  
32 of vehicles.